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# GATION OF THE SCARCITY OF SUGAR

P15-142

HEARING

STANFORD LIBRARIES

BEFORE THE

ON INTERSTATE AND FOREIGN COMMERCE
THE HOUSE OF REPRESENTATIVES

SIXTY-SIXTH CONGRESS FIRST SESSION

ON

H. RES. 150

JULY 14, 1919





GOVERNMENT DEINTING OFFICE



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### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE.

#### House of Representatives.

#### SIXTY-SIXTH CONGRESS.

JOHN J. ESCH, Wisconsin, Chairman. EDWARD L. HAMILTON, Michigan. SAMUEL E. WINSLOW, Massachusetts. JAMES S. PARKER, New York. BURTON E. SWEET, Iowa. WALTER R. STINESS, Rhode Island. JOHN G. COOPER, Ohio. HENRY W. WATSON, Pennsylvania. FRANKLIN F. ELLSWORTH, Minnesota. EDWARD E. DENISON, Illinois. EVERETT SANDERS, Indiana. SCHUYLER MERRITT, Connecticut.

J. STANLEY WEBSTER, Washington.

ALBEN W. BARKLEY, Kentucky. SAM RAYBURN, Texas. ANDREW J. MONTAGUE, Virginia. CHARLES P. COADY, Maryland. ARTHUR G. DEWALT, Pennsylvania. JARED Y. SANDERS, Louisiana.

THETUS W. SIMS, Tennessee.

FRANK E. DOREMUS, Michigan.

GEORGE ESCH, Clerk. A. H. CLARK, Assistant Clerk.

### INVESTIGATION OF SCARCITY OF SUGAR.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Monday, July 14, 1919.

The committee this day met, Hon. John J. Esch (chairman) pre-

siding.

The CHAIRMAN. The committee will come to order. Before we take up the business allotted for this morning, I have requested Mr. Tinkham to appear before us for a few minutes in explanation of House Resolution 150.

## STATEMENT OF HON. GEORGE HOLDEN TINKHAM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS.

Mr. TINKHAM. Mr. Chairman and gentlemen: The resolution is short:

That the Federal Trade Commission is hereby directed to make an immediate investigation and report to the House of Representatives its findings on the subject of sugar used for domestic and manufacturing purposes, both as to its market price, wholesale and retail, and whether these prices are reasonable; and the amount of sugar now in the United States, both raw and refined, in the possession of sugar refiners, wholesale dealers, or in storage; said investigation to involve a report of supplies in the possessions of the United States, raw and refined, and the causes of the present sugar scarcity.

That was introduced on June 30. The resolution was prompted by the following information: That in the District of Columbia, during the week previous to June 30, no one was allowed to buy more than 2 pounds, and from dispatches in the newspapers such as this:

BURLINGTON, VT., July 1.

An unexplained shortage of sugar has hit this city so hard that many stores have none on hand and a large number of families have been unable to obtain any. Several wholesale grocers say that they have been unable to get their orders filled by the refiners.

Also because in the city of Boston it was brought to my attention that a shortage of sugar existed. In relation to a shortage—so that you may know that one exists—I was given day before yesterday the two following telegrams by Congressman Charles B. Ward, of New York:

KINGSTON, N. Y., July 11, 1919.

Congressman CHARLES B. WARD,

House of Representatives, Washington, D. C.

Can you do anything with sugar equalization committee to facilitate shipment of sugar to J. J. Hasbrouck, New Paltz, N. Y., by B. H. Howells Sons, of New York; order dated June 10, No. 23602? Situation is serious for fruit growers. Letter follows.

JOHN W. ECKERT.

That refers, as you see, to an order for sugar made on June 10, but which on July 11 had not been filled. Then I have another telegram addressed to Congressman Charles B. Ward, from Saugerties, N. Y.:

Chain stores receiving unlimited sugar, at least three times normal; we independent grocers unable to secure any. Fruit and berries spoiling with our cus-

tomers. Can and will you help us secure justice? Our jobbers are F. B. Matthews & Co., William R. Harrison & Co., and Everett & Treadwell, Kingston, who have sugar due from National and American Sugar Refining Cos. Refiners controlled by Government sugar equalization board. We urgently ask your aid.

MYRON BEDELL.
PETER H. CARNEIGHT.
E. M. WILBUR.
G. C. LAYMAN.
FRED VANDERMARK.
VAN STEENBERG & KEARNEY.
THEODORE B. CORNWALL.

I think there is no question of a sugar shortage, so far as the retailers are concerned, which is almost country wide, and it seemed to me it was proper to ask for a report from the Federal Trade Commission. I have here the annual report of the United States Food Administration for the year 1918, which has not yet been printed, but I can, with the permission of the department, comment in relation to the information it gives in relation to the sugar situation. It would seem that last November the regulations, so far as retailers in the United States were concerned, were removed; but that on July 31, 1918, there was established the United States Sugar Equalization Board. It was formed with a capital of \$5,000,000 from the President's secret fund; and this board, the United States Sugar Equalization Board, as I understand it, now controls absolutely all of the raw sugar in the United States; not only raw sugar in the United States but it controls raw sugar in Cuba, and is the distributing agent for foreign countries as well as the United States. The alleged purpose in the creation of this \$5,000,000 corporation was to equalize prices between the Louisiana sugar and the American beet sugar, the prices of which had been guaranteed by the Government, and Cuban sugar which was coming in at lower prices.

The purpose was for the company to purchase all of the raw sugar coming from Cuba, because it was to break in this guaranteed price. which had been established for the Louisiana sugar and for the beet sugar, and to equalize the prices. Therefore, this company bought all of the present crop of raw sugar in Cuba and, I understand, it is selling it to refiners, then the refiners to the wholesalers, and the wholesalers to the retailers. All of that shows that the Government is really at the base controlling the sugar industry of the United If that is so and there is a sugar famine it would appear proper to have an examination made by the Federal Trade Commission as to why under that Government control at this time, there is not sufficient sugar to allow the proper canning activities to be carried on and why the retailers are not able to supply their trade. I understand incidentally that one-third of this Cuban crop has already been assigned to England, and that the estimated Cuban crop is 3,600,000 tons for this year. It seemed to me, if I may say so, that as Congress has passed no measures, so far as I know, since it came into session in May in relation to food legislation and has done nothing, so far as I know, in relation to the high cost of living and the question of food supplies and prices, that it would be very proper for the majority party to show an interest in those questions and, therefore, proper for them to report this resolution. I might say that an amendment might be added to it, namely, that the Federal Trade Commission be asked the proportion of sugar during the last 12 months that has been assigned to England and the Allies, to see if that is the reason for the shortage.

I do not know, Mr. Chairman. that I have anything else to say. I am not an expert on the subject and I have stated to you all I know and what I think should be done.

The CHAIRMAN. The Food Administration had control over the

prices of sugar, did it not?

Mr. Tinkham. It did; that is, it had control of the wholesalers' prices.

The CHAIRMAN. Do you know whether they have maintained that

control up to the present time?

Mr. TINKHAM. As I understand it, the Federal Food Administration is not now in existence, no appropriation having been made for I understand, however, that licenses were issued to wholesalers who sold more than \$100,000 worth of food products, and that under those licenses regulations were issued which covered sugar, and that those licenses are still in effect, although the Food Administration is not now in existence, and that those licenses will be in effect until October.

The CHAIRMAN. I saw in the official letter that we get every day, giving the activities of the various departments of the Government, this quotation under date of July 7:

Chicago Tribune states that a canvass made of sugar brokers, exporters, and refiners revealed that there was no shortage of sugar; in fact, there is more in the country than there has ever been before. States that present situation was caused by the failure of jobbers to lay in their usual supplies last spring, owing to fixed price maintained by Government.

What is your thought on that comment?

Mr. Tinkham. Well, it says there is no shortage and then it says

there is a shortage.

The CHAIRMAN. Except in such localities where the jobbers failed to lay in their usual supplies last spring, owing to the fixed price maintained by the Government. Now, you say that that price is no longer being maintained by the Food Administration.

Mr. Tinkham. I think that the sugar-equalization board, which has control of raw sugar, is maintaining, as far as my information goes, a fixed price which, of course, would stabilize the market and fix, in a general way, the price to the wholesalers, and that then the retailers would have an opportunity, of course, to sell as they might wish, but probably would have to sell on a basis caused by the stabilization resulting from the equalization board's control of raw sugar.

Mr. Sims. This is entirely new to me, and I want some information.

Mr. Tinkham. I am not an expert, I would say.

Mr. Sims. But undoubtedly you have some information on the subject. I understood you to say that the Government had guaranteed a certain price to the American cane-sugar growers and to beetsugar growers?

Mr. Тінкнам. Yes; they did that.

Mr. Sims. Was that as to the crop of 1919, or how long does that guaranty run?

Mr. Tinkham. Well, I can not answer that question; I do not know.

Mr. Sims. When did this corporation begin operations?

Mr. Tinkham. This corporation was established July 21, 1918.

Mr. Sims. And that corporation, as I understood you, controls the price of raw sugar?

Mr. Tinkham. Yes, sir.

Mr. Sims. And in that way indirectly affects the price to the refiners, to the jobbers, and to the retailers?

Mr. Tinkham. Exactly.

Mr. Sims. And is it your contention that there is such a restriction of distribution that the retailers can not get the normal supply by

paying the market price?
Mr. Tinkham. My contention is that in Washington there is a shortage, in Burlington, Vt., and Boston, and it would appear from these telegrams, given me by Congressman Ward, that there is a shortage in Kingston and Saugerties, N. Y., and in other places.

Mr. Sims. Is this shortage referred to in this telegram only in this particular locality, and is it due to the fact that wholesalers and jobbers have not made purchases, or is it due to the fact that there is not

sufficient sugar in the United States to supply the demand?

Mr. Tinkham. I do not know, and the aim or purpose of the reso-

lution is to find out exactly why that shortage exists.

Mr. Sims. There is another thing to be considered: How long a time do you think it will take the Federal Trade Commission to make the necessary investigation and report?

Mr. TINKHAM. That I do not know, but the Food Commission and

the Equalization Board should have much of this information.

Mr. Sims. Is it not a fact that, in all probability, it would go beyond the period of the fruit-canning and preserving season of this year? Would not that season be gone before we could get a report

from the commission?

Mr. TINKHAM. That might be so, but the fact that the commission was investigating the subject might have the effect of stimulating the Government in other branches to relieve this shortage. Within a week after the introduction of this resolution the Quartermaster Department advertised for sale and distribution a very large quantity, or 10,000,000 pounds, of sugar, and an embargo was placed in some measure upon exportations of sugar abroad. In other words, I think the effect of having this committee report this resolution might be to promote efforts in the various departments or bureaus that have control over sugar, either directly or indirectly, to meet the shortage.

Mr. Sims. The real purpose of that resolution, as I understand it, is to compel the sale of sugar in the United States, or of sufficient sugar to supply the commercial demand, regardless of whether there

is a loss on the Government guaranty or not?

Mr. Tinkham. No; it is to find out the causes of the shortage.

Mr. Sims. And the loss, if it comes, will fall upon the general taxpayers and not simply upon the users or consumers?

Mr. TINKHAM. It is to find out the causes of the shortage.

Mr. Sims. Have you made any effort to get information from the

official sources you have referred to, personally, or otherwise?

Mr. Tinkham. Not beyond taking the matter up with the Food Administration and having them submit to me their annual report, which, as I said, has not yet been published or printed.

Mr. Sims. Are you in favor of the proposition in general, with reference to wheat or anything else, of trying to force prices down at the expense of the general taxpayers of the country on whatever was guaranteed for war purposes during war times? What do you think is the proper attitude of Congress toward that?

Mr. Tinkham. I would rather not answer that. I do not know.

Mr. Sims. I thought that since you were fathering the resolution you were ready to give your views on every respect of it.

Mr. Dewalt. I understood you to say that 1,200,000 tons of sugar

had been contracted for delivery by the British Government?

Mr. TINKHAM. That is what I understand. It is one-third of the 3,600,000 tons which represent the total Cuban crop of raw sugar.

Mr. Dewalt. Does this embargo that you spoke of operate upon

that sugar?

Mr. TINKHAM. I do not know. I am not familiar with the details of the embargo. There is some kind of embargo, but whether that was only upon the Government supplies that were recently advertised for sale, or whether it applies to the general market, I do not know. An embargo has been placed either upon the Government supplies or in relation to the general market.

Mr. Dewalt. The likelihood is that it would be shipped.

Mr. TINKHAM. I should suppose that the port of the Cuban crop

assigned to them would be shipped direct to England.

The CHAIRMAN. I understand that a request has been made to discourage the exportation of sugar from the United States and that it has been made by a governmental agency.

Mr. TINKHAM. Do you mean the embargo?

The CHAIRMAN. Yes.

Mr. Tinkham. As I have said, I am not an expert in this at all, but a general shortage of sugar to retailers was brought to my attention, and it seems to me to be something that Congress ought to interest itself in.

Mr. Hamilton. You had proceeded considerably with your statement before I came in, and, therefore, you may have covered the facts that I want to ascertain. As I understand it, our supply of sugar in this country is derived from Cuba, Hawaii, and from what other sources?

Mr. TINKHAM. From Louisiana, of course.

Mr. Hamilton. I mean on the outside. I do not mean our domestic production.

Mr. TINKHAM. Some of it comes from the East Indies and Java. Mr. HAMILTON. Now, all the sugar that comes to us is raw sugar? Mr. TINKHAM. It comes to our markets raw, as I understand it.

Mr. Hamilton. That sugar passes through the hands of certain refiners.

Mr. TINKHAM. Yes, sir.

Mr. HAMILTON. What refiners control the output of refined sugar to the American consumers? It is the American Sugar Refining Co., I assume, and they control the domestic supply, because they buy the raw?

Mr. Tinkham. Yes, sir; they buy the raw sugar.

Mr. Hamilton. Now, when they dispose of their refined product under the present conditions, or under war conditions, to whom do they dispose of it?

Mr. TINKHAM. They dispose of it to the wholesaler who may put

orders in to the refiner.

Mr. Hamilton. What restriction was placed upon the wholesaler

by the Government in that connection, if any?

Mr. Tinkham. A restriction was placed upon the wholesaler through a license to every wholesaler in the United States who sold more than \$100,000 worth of food supplies, which would, of course, include sugar. A license was given, and the terms of that license, from time to time, as necessity dictated, were changed. In that way they reached the wholesaler in relation to the sales of sugar, the amount to be sold, and I think even the price. Then through the educational campaigns by the wholesalers, they tried to control the retailer, so that there would be no profiteering, but that had to be by the wholesaler who they had control of by license. There had to be more or less moral suasion brought to bear upon the retailer.

Mr. Hamilton. Has there been any shortage in the sugar supply

of the world?

Mr. TINKHAM. I do not know, but there is a sugar shortage in Washington. I know of the shortage in Vermont and in central New York and Boston.

Mr. Hamilton. I assume, of course, that there must have been a shortage of the beet sugar supply in Europe, because the French beet fields were largely overrun during the war.

Mr. TINKHAM. Yes, sir.

Mr. Hamilton. I assume that the German beet fields were not utilized anywhere near the point that they had been; so that there must have been some sugar shortage. Will you briefly recapitulate, because there may have been some other members of the committee who came in late, as I did, just what you desire to accomplish by your resolution?

Mr. TINKHAM. I wanted the Federal Trade Commission to look into the question of what stock there was on hand of raw sugar in the country and of refined sugar in the hands of wholesalers or refiners, and then to find what was the cause of the present sugar scarcity, going, probably, into the question of the price, the allocation of sugar, etc.; but it is directed particularly to find out and show the interest of Congress in a question which seems to be important, namely, the sugar shortage which I think undoubtedly exists, but the cause of which I do not know.

Mr. Hamilton. The law of supply and demand is not operating

without restrictions yet, is it?

Mr. TINKHAM. It is not, and, not only is it not operating without restrictions, but the normal influence of supply and demand in the sugar trade has been absolutely abolished by the Sugar Equalization Board which controls absolutely and completely all of the raw sugar in the United States, and not only in the United States, but in Cuba, by the purchases of the crop of this year.

Mr. Hamilton. And your impression is that the consumer is having to pay more for sugar now than he ought to be paying?

Mr. Tinkham. I do not know about the price. The price of sugar has increased. It might be interesting to know that in 1913 the price of sugar to the wholesaler was 4½ cents to 4½ cents, in 1914 it was between 4 and 5 cents. In 1915 it was between 4 cents and about 4½ cents; in 1916 it was from 5½ cents to 7½ cents; in 1917 it was from 6½ cents to 8¼ cents; and in 1918 it was from 8 cents to 8¼

cents. It is now, and has been ever since the fall of 1918, 9 cents. In other words, there has been an increase since 1913 from about  $4\frac{1}{4}$  and  $4\frac{1}{2}$  cents to 9 cents.

Mr. Hamilton. The American beet sugar crop, or the American

beet sugar supply comes on about the beginning of October?

Mr. Tinkham. I think so; yes.

Mr. Hamilton. And that, ordinarily in the past, has had the effect of leveling down prices?

Mr. Tinkham. Yes.

Mr. HAMILTON. Do you know whether it had that effect during

the war?

Mr. Tinkham. I understand it had, but I am not sure; however, the Government guaranteed a price to the Louisiana sugar and American beet sugar manufacturers, and then in July, 1918, because the Cuban sugar was coming in at a much lower rate than the Government guaranteed price, the Equalization Board, of which I have spoken, was established and they have fixed the price of raw sugar ever since, because they had control of the Cuban sugar, Louisiana sugar, of the beet sugar, and probably the sugar from Hawaii.

Mr. Hamilton. So the effect has been to deprive the consumer of

the benefit of the competition of the beet sugar?

Mr. Tinkham. Absolutely. The price is purely artificial.

Mr. Hamilton. And that state of affairs, you feel, is likely to continue this year?

Mr. TINKHAM. I think there is no question about it.

Mr. Hamilton. And you want to know how long this artificial state of affairs is to continue?

Mr. TINKHAM. Well, I did not include that in my resolution, but I should be very pleased to have it incorporated in it. My resolution relates to the sugar scarcity.

Mr. Hamilton. Your resolution is intended to operate in the in-

terest of the consumer?

Mr. Tinkham. Absolutely.

Mr. Sweer. This corporation, then, was organized to work in conjunction with the Food Administration relative to the sugar situation?

Mr. TINKHAM. Yes.

Mr. Sweet. And it was organized as a war emergency corporation?

Mr. TINKHAM. Absolutely; as I understand it.

Mr. Sweet. When does it terminate?

Mr. Tinkham. I can not answer that question.

Mr. Sweet. Is there any provision in its articles of incorporation as to when it shall terminate?

Mr. TINKHAM. I think that no doubt such a provision is carried in the articles of incorporation.

Mr. Sweet. In what State was it organized?

Mr. TINKHAM. Its headquarters are in New York, but I do not know under what laws it was chartered.

Mr. Sweet. What was the price that was guaranteed by the Government for the Louisiana sugar and the beet sugar?

Mr. Tinkham. That I do not know. You see, I am not an expert on the sugar question.

Mr. Sweet. I thought you might be familiar with that situation.

Mr. TINKHAM. No: I am not.

Mr. Sanders of Louisiana. You say you do not know when the Sugar Equalization Board will expire?

Mr. Tinkham. I do not.

Mr. Sanders of Louisiana. It will expire on the 31st of December, this year. Do you know what effect the Sugar Equalization Board had on the price the consumer had to pay?

Mr. TINKHAM. You ask me what effect it had?

Mr. Sanders of Louisiana. Yes.

Mr. TINKHAM. I suppose the effect it had was to stabilize the price, the Government having guaranteed a price for the Louisiana crop

and for the beet-sugar crop.

Mr. Sanders of Louisiana. Do you realize that if it had not been for the stabilization of the price, effected through the Sugar Equalization Board and the purchase of the Cuban crop that the consumer would undoubtedly have had to pay from 50 to 75 per cent more for his sugar than he otherwise would have had to pay?

Mr. TINKHAM. I am not criticising the creation of the Sugar

Equalization Board.

Mr. Sanders of Louisiana. Do you realize that at this very moment France is in the market trying to buy from 250,000 to 300,000 tons of sugar and that she can not do so because the Sugar Equalization Board, acting in conjunction with the Royal Commission, entered into a contract and bought the entire 1919 Cuban crop at a fixed figure?

Mr. TINKHAM. I stated that earlier in this hearing.

Mr. Sanders of Louisiana. And that that crop is being brought into America to-day?

Mr. TINKHAM. Two-thirds of it is being brought in and one-third

is going to England.

Mr. Sanders of Louisiana. One-third is going to the Royal Commission for English consumption and two-thirds is being brought into this country, under a price that was entered into last fall?

Mr. TINKHAM. Yes. Mr. Sanders of Louisiana. You realize that?

Mr. TINKHAM. Well, I did not know the details, but I knew some-

thing of that sort had been done.

Mr. Sanders of Louisiana. Do you realize that the Cuban crop on hand to-day, that is, the two-thirds of it due to America, under normal consumption, will not last America 90 days?

Mr. TINKHAM. I am not at all surprised.

Mr. Sanders of Louisiana. You realize, therefore, that were it not for the fixing of the price by the Sugar Equalization Board that we would not only be confronted with a shortage of sugar, but that sugar would be selling at a price which would be from 50 to 75 per cent

higher than it is to-day?

Mr. Tinkham. I said I was not criticizing the creation of the equalization board, but what I did want was an investigation of the present scarcity of sugar, to know the cause of it, and also, perhaps, have a report of the operations of the Sugar Equalization Board, which really are not very much known, that is, there is not very much known publicly about it. It seems to me that Congress ought to interest itself more than it has heretofore in the question of food prices and food supplies.

Mr. Sanders of Louisiana. Do you know the basic price which was guaranteed to the beet farmers for the production of beets?

Mr. TINKHAM. I do not; that question was asked me a few minutes

ιgo.

Mr. Sanders of Louisiana. In order to get the western farmers to plant beet seed rather to plant their land in wheat under the guaranteed wheat price, it became necessary to guarantee \$10 per ton for beets, otherwise they would not have planted their land in beets, but there was no guarantee made to the Louisiana sugar producers at all.

Mr. TINKHAM. Was there to the beet-sugar producers?

Mr. Sanders of Louisiana. There was an absolute guarantee by the Sugar Equalization Board of \$10 per ton for beets, but there was no guarantee made to the Louisiana cane producers per ton for cane.

Mr. TINKHAM. Was there not some guarantee to the Louisiana

sugar interests?

Mr. Sanders of Louisiana. There was a guarantee to the sugar producers. You must make a distinction between the producer of the cane, who sells his cane to the refiner by the ton, as contradistinguished from the refiner who sells his sugar to the wholesaler by the pound. There was a guarantee made the sugar producers of Louisiana of 9 cents for what is called granulated sugar, less 2 per cent and less some other differentials that were agreed on. That was to the sugar producers, but not to the cane producers. Now, the western beet raiser had a guarantee of \$10 per ton for his beets, and that guarantee had to be made before he would agree to plant it. Did you know that?

Mr. TINKHAM. No; I did not know the detail of it.

Mr. Sanders of Louisiana. Do you know that to-day there is not enough sugar in sight, before the beet sugar of the west and the cane sugar of Louisiana come into the market—not enough Cuban sugar in sight to run the United States, under normal consumption, for 90 days?

Mr. TINKHAM. No; I did not. I might read this statement from the unpublished report of the Food Administration bearing on that particular point, and, incidentally, I see that the United States Sugar Equalization Board was incorporated under the laws of Delaware:

The increase in price given to the Louisiana producer, for example, resulted in a price for raw sugar of 7.28 cents per pound against 6.35 cents received last year—

Mr. Sanders of Louisiana (interposing). That is the 96 test, raw sugar?

Mr. Tinkham. Yes.

And to the sugar beet producers an average increase of about \$2.50 per ton over last year's prices.

Mr. Sanders of Louisiana. The last year's price was 7 cents.

Mr. Tinkham (reading):

It allows the Cuban producer 5.50 cents per pound in Cuba as compared with 4.60 received last year. That the increase stimulated production is evidenced by the fact that the Cuban production is now estimated at several hundred thousand tons in excess of last season's crop.

Mr. Sanders of Louisiana. The guarantee to the western producer of beets was \$10 per ton, and there was no guaranty to the Louisiana producer of cane. The reason I assume there was no guarantee to

the sugar cane producer is that the cane sold to the factory at so much per ton, based on what that ton makes in sugar, and, while there was no actual guarantee to the cane producer by guaranteeing a certain price for the sugar, it, in effect, worked out as a guarantee to the cane producer.

Mr. Hamilton. Do you anticipate that the Louisiana sugar growers will be able to produce sugar profitably, after we return to normal

conditions, if the present tariff law remains unchanged?

Mr. Sanders of Louisiana. I anticipate that neither beet nor sugar cane can be produced in America under normal conditions in competition with Europe, when the normal beet capacity is restored there: and, with the islands working to anything like their full capacity, that the sugar of Louisiana and the sugar of the West can not possibly compete with that beet sugar or cane sugar from the islands.

Mr. Hamilton. In other words, in order to survive it would be necessary to amend the Federal tariff law so as to protect our sugar grow-

ers?

Mr. Sims. Mr. Chairman——

Mr. Hamilton (interposing). If there is any objection to that question I will withdraw it.

Mr. Sanders of Louisiana. I have no objection to giving my opin-

ion.∙

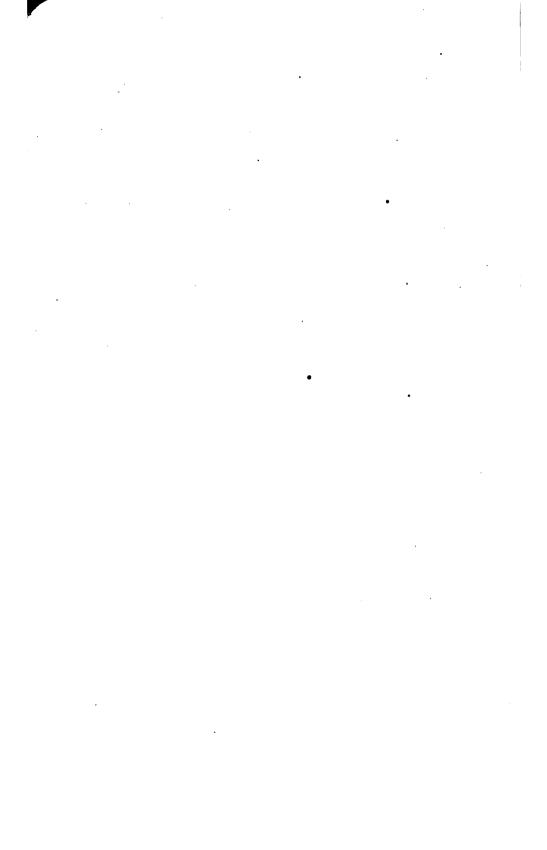
Mr. Hamilton. I supposed you did not have any objection.

Mr. RAYBURN. Mr. Tinkham has taken quite a lot of time, and I think we ought to go on with the matter for which we have met this morning.

(Thereupon the committee went into executive session, after which

it adjourned.)







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